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[REDACTED]

Dear Applicant:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(12) of the Internal Revenue Code of 1954.

The information submitted discloses that you are organized and operated under Bylaws adopted [REDACTED] and a Declaration of Condominium.

Your purposes, as stated in your Bylaws, is to administer the [REDACTED]. You collect monthly fees from members and pay necessary expenses to keep the building and grounds in good condition.

Each apartment owner automatically becomes a member of the Association upon acquisition of an ownership interest in an apartment. Voting rights are based on the percentage of the unit's value to the total value of the property.

Section 501(c)(12) of the Code provides exemption from Federal income tax for benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations, but only if 85 percent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

Revenue Ruling 67-265, C.B. 1967-2, 205, states that the term "like organization", as used in the statute, is limited by the types of organizations specified in the statute. It is applicable only to those mutual or cooperative organizations which are engaged in activities similar in nature to the benevolent life insurance or public utility type of service or business customarily conducted by the specified organization.

Revenue Ruling 65-201, C.B. 1965-2, 170, held that a cooperative housing organization operated for the personal benefit of its tenant-owner members is not a "like organization", and does not qualify for exemption from Federal income tax under section 501(c)(12), or any other section of the Code.

de	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
mo	[REDACTED]						
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Based on the information submitted, we conclude that you are not a "like organization" within the meaning of section 501(c)(12) of the Code, because you do not provide a public utility type of service. You are similar to the cooperative housing organization described in Revenue Ruling 65-201 in that you provide maintenance services for your members.

Accordingly, it is held that you are not entitled to recognition of exemption from Federal income tax under section 501(c)(12) of the Code. You are required to file Federal income tax returns on Form 1120 for each year you have been in existence.

If you accept our findings, you do not need to take further action.

If you do not accept our findings, we recommend that you request a conference with the Office of Regional Director of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at our Regional office or, if you request, at any mutually convenient District office.

If we do not hear from you within 30 days from the date of this letter, this ruling will become final. If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

[REDACTED]
District Director

Enclosure:
Publication 892